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UNCLAS DHAKA 003074

SIPDIS

TIMOTHY C. FINTON, EB/CIP; JONATHAN MCHALE, USTR;
PAUL NEUREITER, USTR.

E.O. 12958: N/A

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SUBJECT: LICENSING CONDITIONS IN THE TELECOMMUNICATIONS
SECTOR IN BANGLADESH

REF: STATE 114687

¶1. In Bangladesh, landline licenses are granted by division, a geographic unit approximately equivalent to a state or province. Licenses cost the same in all divisions and for all companies, at 20 million Tk (about 312,500 USD). Bangladesh Telecommunications Regulatory Commission (BTRC) told EconOff that this fee is charged to cover administrative costs and to generate revenue for the government. Licenses must be renewed yearly, at a cost of 3 million Tk (about 46,875 USD).

¶2. BTRC does have a capitalization requirement for license applicants. This is done to ensure the financial soundness of the applying company. The capitalization required for each division is the same except for Dhaka division, home to Dhaka city, which has a higher requirement. The rights to Dhaka Division's land line license are being contested by a company that was offered exclusive privilege to it under the previous, opposing party, government through a contract that the current government does not want to honor.

¶3. According to local industry contacts, the BDG does not require build-out investments.

THOMAS